

BeltLine Affordable Housing Advisory Board 2015 Annual Briefing

March 22, 2016
Georgia Hill Building

BeltLine Affordable Housing Advisory Board (BAHAB)

- BAHAB shall be comprised of a maximum of 19 members.
- Appointed members must have demonstrate experience in one or more of the following areas: affordable housing, affordable housing construction; down-payment assistance; supportive housing; urban design and planning; green building; architecture with multi-family or mixed-use developments; real estate developments; or real estate finance.

BAHAB – Appointing Bodies

Appointing Body	Appointees		
	Allowed	Filled	Vacant
Mayor	2	0	2
AHAND/ANDP	3	3	0
Atlanta City Council	3	2	1
Fulton Co. Board of Comm.	4	3	1
Atlanta Public Schools	6	4	2
Total	18	12	6

2015 BAHAB Members

William McFarland, Chair	Atlanta Public Schools	2015
Chenee Joseph, Vice-Chair	AHAND/ANDP	2017
Alvah Hardy II	Atlanta Public Schools	2017
Cora Dunston	Fulton Co. Board of Comm.	2016
Andy Schneggenburger	Atlanta City Council	Termed Out
Emmett D. Johnson	Atlanta Public Schools	2017
Jan Bryson	Fulton Co. Board of Comm.	2016
Jim Haskell	Atlanta City Council	2017
Young Hughley	AHAND/ANDP	2019
Kelly Cooney	AHAND/ANDP	2020
Steve Vale	Fulton Co. Board of Comm.	2020
Zach Nikonovich-Kah	Fulton Co. Board of Comm.	Approval Pending

BAHAB

Responsibilities

- Making **recommendations** to ADA and the City on goals and policies for the use of BeltLine Affordable Housing Trust Fund (BAHTF) dollars
- Monitoring the location and availability of affordable housing throughout the BeltLine
- Coordinating the activities of BAHAB with other affordable housing throughout the BeltLine

Beltline Affordable Housing Trust Fund (BAHTF)

Trust Fund Context

- 15% of all net bond proceeds are put into the Beltline Affordable Housing Trust Fund
- The first bond issue, in 2008, generated \$8.2 million for BAHTF
- The goal for trust fund investment is to create 5,600 rental and owner-occupied units through down payment assistance, developer incentives, and property acquisition.

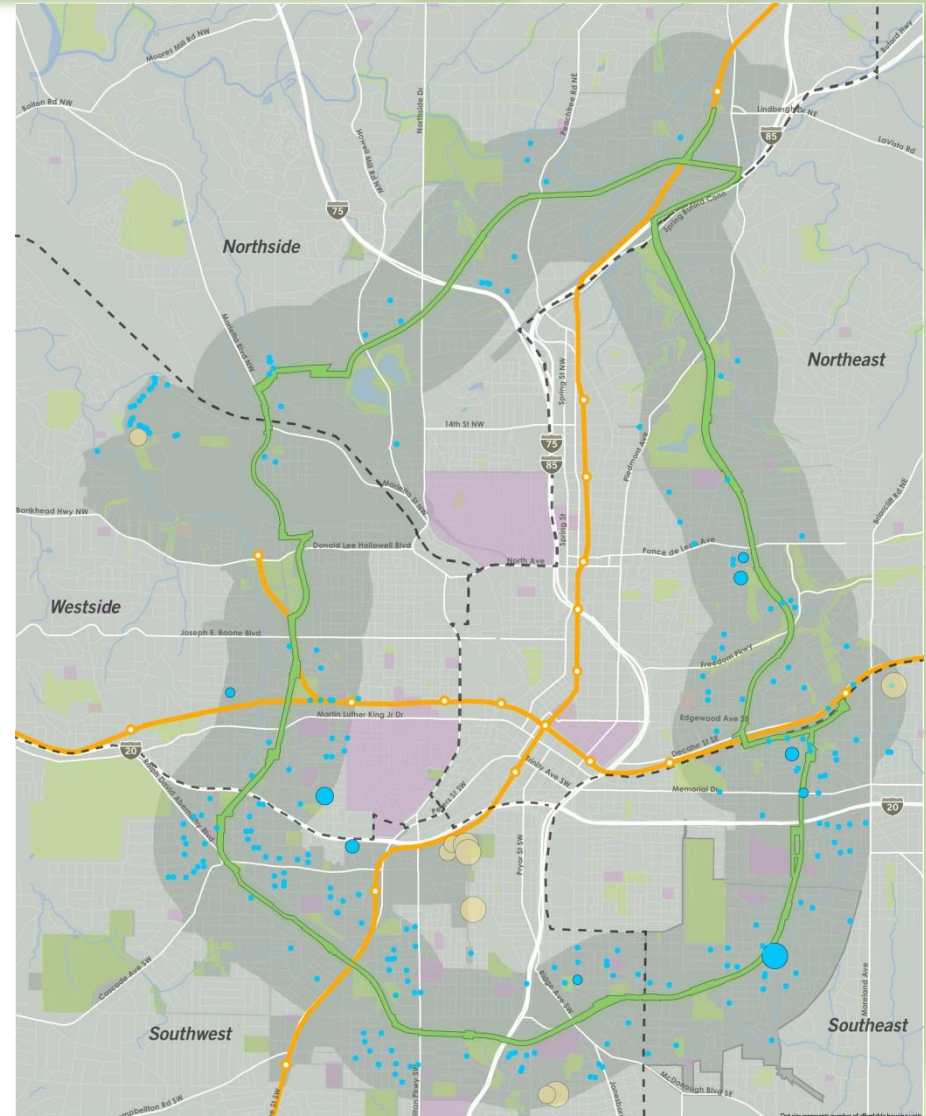
BAHTF – Major Components

- Down Payment Assistance
- Grants to develop and preserve affordable housing
 - Includes a set aside for City and State Community Housing Development Organizations (CDHOs)
- Funds for acquiring property for future affordable housing development

BAHTF - Targeted Beneficiaries

- Renter households earning 60% or less of Area Median Income
 - Encourage development of rental housing affordable to households earning 30% or less of AMI
- Owner occupied households earning 100% or less of AMI ceiling
- City of Atlanta residents, especially those living in BeltLine neighborhoods
- Employees of the City of Atlanta, Fulton County, and the Atlanta Public Schools

- ABI and Invest Atlanta created nearly 1,000 affordable workforce units from 2006 to 2014
- \$8.8M Trust Fund capitalized in 2008 (fully committed)
 - Down Payment Assistance
 - Incentives for Developers
 - Property Acquisition



// 1st Gen: Development Examples



Lofts at
Reynoldstown
Crossing; 29 units;
ABI



Reynoldstown Senior;
29 units; Mercy



Ponce City Market;
52 workforce units;
Jamestown



Stanton Oaks; 43
units; Woda Group

2015 BAHAB Activity

Context

100% of the initial \$8.8 million BAHTF has been spent or is currently committed to existing projects. ABI doesn't anticipate any additional bond issues in the next 12-24 months.

2015 BAHAB Activity

Integrated Action Plan

In 2014, BAHAB accepted ABI's request to take an active role providing input and feedback during their development of an Integrated Action Plan (IAP), which would serve as work plan to implement the housing, economic development and real estate goals. Specific BAHAB role included:

- Providing feedback and input on:
 - Key objectives for the development of the IAP
 - Housing metrics and goals (What counts towards 5,600 unit goal)
 - Any recommended changes to BAHTF policies and procedures
- Reviewing of draft and final IAP housing recommendations

2015 BAHAB Activity

- In late July BAHAB submitted comments and recommendations to ABI based on our review of draft IAP documents (*Draft Comments, Questions, and Recommendations on the ABI 5 Year Integrated Action Plan Presentation*)
- ABI responded to our document in September
- Based upon their response, BAHAB agreed to send ABI follow-up documentation underscoring our thoughts on three specific policy issues in October
- ABI's Integrated Action Plan, which is a work plan was presented to ABI Board of Directors in December 2015 for information.

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Metrics	
Create a new target goal for number of BAHTF supported affordable units with each re-capitalization of the Trust Fund.	<i>With each bond, we will maximize the number of affordable units possible towards the 5,600 unit goal.</i>
Formally adopt a goal to achieve 20% of total housing units created in the BeltLine Study Area as affordable.	<i>ABI will elevate the 20% goal by tracking it annually and placing it on our high level dashboard, which is an overall snapshot of the program's progress. Although this notion will be incorporated into the document, we do not plan to formally adopt the goal.</i>

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Strategic Recommendations	
Adopt maximizing the period of affordability required as a key strategy	Long term affordability is a desirable goal. Each project will seek the longest period of affordability the transaction can support. However, our primary objective must be to ensure that the total goal of affordable units is achieved.
Place a priority on a land acquisition strategy to support affordable housing development	<i>ABI will incorporate into the document</i>
Identify geographic targeting as an explicit strategy for land acquisition, development activities and the Trust Fund investment policies	<i>ABI will incorporate into the document</i>

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Use covenant zoning (or other similar tactics) to achieve affordable housing on development-eligible parcels controlled by ABI	<i>ABI will place land use restriction agreements or other similar tools on land it purchases for development</i>
Identify preservation of affordable housing as a key acquisition and development strategy	<i>ABI will incorporate into the document</i>

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Pursuing New Revenue Sources	
Pledge minimum of 20% of all tax increment revenue to affordable housing and economic development.	<i>The 20% represents a budget framework which we will use to approach and evaluate the annual budgeting process. This will be included in the report.</i>
Continue to seek opportunities to monetize corridor assets. Dedicate a significant portion of revenue collected to land acquisition and affordable housing.	<i>The budget framework includes utilizing funding from monetizing corridor assets for the economic development and affordable housing program. This will be included in the report.</i>

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Acquisition Fund	
Structure Acquisition Fund for more than passive response – allow focus on targeted land acquisition and master / joint development partnership opportunities	<i>ABI will incorporate into the report</i>
Develop specific criteria for percentage of affordable units, level of affordability and affordability period for projects using Acquisition Fund dollars	<i>Specific criteria will be established as the fund is developed. We expect below market rate financing to require this criteria or commitment. This will be included in the report.</i>
Establish leverage requirement/goals for complimentary use with BAHTF (when capitalized) to support achieving specific Trust Fund production goals	<i>An average basis for overall Trust Fund prior to issuance of a bond, with the leverage goal being an average for the overall Trust Fund makes sense. Will append suggestion to <u>Policies</u> section.</i>

BAHAB IAP Recommendations

BAHAB Recommendation	ABI Response
Support Existing DPA Programs	
Request that FHLBA allow use of community-based HUD-certified Housing Counseling agencies in down-payment assistance program	<i>We have already made a commitment to ask that they be considered prior to next year. We do not plan to place this level of detail in the IAP.</i>
Roles	
Establish ABI role and strategy for creating permanent affordability for subsidized affordable housing units	<i>ABI aspires to create more affordable units, deeper affordability, sustainability, longer-term affordability, and housing for special populations. However, our primary objective must be to ensure that the total goal of affordable units is achieved.</i>

BAHAB IAP Recommendations

BAHAB Recommendation

Policies for Next Bond Issue

- Adopt a policy that prioritizes the use of BAHTF dollars in the Tax Allocation District (or within ½ walking-mile of projected transit stops) rather than the Planning Area
- Include a requirement that a household spend no more than 30% of total income on housing in the definition of affordability related to Trust Fund expenditure
- Make producing long term affordability a key policy provision.
- Establish policy/criteria for forgiving loan repayment for projects with deeper affordability, a higher percentage of affordable units or increased affordability periods when structuring financing as 0% interest loans.
- Use the HUD location affordability index, (<http://www.locationaffordability.info/>) that includes the cost of transportation when computing rents, as inflation methodology.

BAHAB IAP Recommendations

ABI Response

Policies for Next Bond Issue

As a part of the IAP effort, we will provide some informal suggestions for key issues to consider for future BAHTF policy. ABI, Invest Atlanta, the City of Atlanta, and BAHAB should consider these suggestions as a starting point at an appropriate time prior to the next bond issue.

The suggestions do not represent the official recommendations of Atlanta BeltLine, Inc. for the next bond issue, as it does not make sense to provide these absent of clearer timing and market conditions of the next bond issue.

All of BAHAB's comments will be added as written to the end of the memo described above for consideration.

Continuing BAHAB Role and Activity

- Continue to monitor location and availability of affordable housing throughout the BeltLine and coordinate with other BeltLine affordable housing activities
- Continue to advocate and engage with ABI and other parties to advance dialogue and consideration of initiatives, activities and policies to support affordable housing development along the Beltline.
- Continue to build and develop a strong Board that has the experience and commitment to work to achieve this goal